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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re:

ZACKY FARMS, LLC, a
California limited liability
company,

Debtor-In-Possession.

CASE NO. 12-37961-B-11

DCN: FWP-6

Date: October 11, 2012
Time: 1:30 p.m.
Courtroom: 32
501 I Street, 6th Floor
Sacramento, CA

**ORDER AUTHORIZING THE DEBTOR TO MAINTAIN AND ADMINISTER
CUSTOMER PROGRAMS AND HONOR CERTAIN PREPETITION OBLIGATIONS
RELATED THERETO**

The motion of Zacky Farms, LLC, Debtor and Debtor in Possession's (the "Debtor") seeking entry of an order authorizing the debtor to maintain and administer customer programs and honor certain prepetition obligations related thereto (the "Motion"), came on for hearing on October 11, 2012, at 1:30 p.m., in Courtroom 32 of the United States Bankruptcy Court for the Eastern District of California. The Debtor appeared through its counsel, Thomas A. Willoughby. Other appearances were noted on the record. All capitalized terms used but not defined herein shall have the meanings given to them in the Motion.

The Court has considered the Motion, the Declaration of Keith F. Cooper in Support of First Day Motions and Applications, and the matters reflected in the record of the hearing held on the Motion on October 11, 2012. The Court having found that it has jurisdiction over this

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EASTERN DISTRICT OF CALIFORNIA
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1 proceeding; that this is a core proceeding; that notice of the Motion has been given to the Office
2 of the United States Trustee, the twenty largest unsecured creditors, all secured creditors, the
3 owners of the Debtor and any applicable governmental entities; that no further notice is
4 necessary; that the relief sought in the Motion is in the best interests of the Debtor, its estate, and
5 its creditors; and that good and sufficient cause exists for such relief.

6 Accordingly, it is hereby ORDERED as follows:

7 1. The Motion (docket no.23) is GRANTED, on an interim basis to the extent set
8 forth herein, pending the conclusion of the hearing on the Motion.

9 2. The Debtor is authorized, but not directed, to honor and pay the Obligations and is
10 authorized, but not required, to maintain and administer the Customer Programs.

11 3. The Debtor is authorized, but not directed, to re-issue checks for customer refunds
12 (and returned check charges related to the same) in the event that refund checks issued by the
13 Debtor before the Petition Date were returned by the bank or other financial institutions.

14 4. The Debtor's banks and financial institutions are authorized and directed to
15 process, honor, and pay any and all checks issued in connection with the Obligations.

16 5. The banks and other financial institutions that process, honor, and pay any and all
17 checks on account of the Obligations shall rely on the representation of the Debtor as to which
18 checks are issued and authorized to be paid in accordance with this Order without any duty of
19 further inquiry and without liability for the following Debtor's instructions.

20 6. Payment of an obligation arising under a Customer program shall not constitute
21 the assumption by the Debtor of a contract under section 365 of the Bankruptcy Code, nor shall it
22 preclude the Debtor from contesting the validity or amount due pursuant to the Obligations.


23 7. The Court shall retain jurisdiction to hear and determine all matter arising from the
24 implementation of this Order.

25 8. To the extent the fourteen day stay of Bankruptcy Rule 6004(h) may be construed
26 to apply to the subject matter of this Order, such stay is hereby waived.

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10. A final hearing on the Motion shall be held on October 24, 2012, at 1:30 p.m.


Thomas C. Holman
United States Bankruptcy Judge